

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on February 25, 2003 at 8:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Penny Morgan (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Alberta Strachan, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 732 (2/21/03); HB 691 (2/23/03);  
HB 679 (2/21/03)

Executive Action: HB 646 Tabled; HB 688 Tabled; HB  
679 Do Pass; HB 732 Tabled;  
HB 691 Tabled; HB 672 Tabled; HB  
329 Tabled; HB 613 Tabled

**HEARING ON HB 732**

**Sponsor:** REP. SANDY WEISS, HD 13, Billings

**Opening Statement by Sponsor:**

REP. WEISS said this bill would increase the minimum hourly wage rate to \$5.60 an hour beginning July 1, 2003, and to \$6.00 an hour beginning July 1, 2004, or to a rate set under federal law, whichever is greater. It will also provide an employer the option to apply the increase toward a bona fide employee health care plan. She also supplied testimony entitled, States Ranked by Average Annual Pay and The Impact of the Minimum Wage.

**EXHIBIT (buh42a01)**

**EXHIBIT (buh42a02)**

**{Tape: 1; Side: A; Approx. Time Counter: 30 - 89}**

**Proponents' Testimony:**

Darrell Holzer, Montana State AFL-CIO, said he wanted to dispel some of myths the opposition has to this bill. Most minimum wage workers are younger people trying to earn a little extra money. According to a study of the Economic Policy Institute, nearly seven of every ten workers, or 68%, will benefit from an increase. Adult women made up the single largest group of beneficiaries from the last minimum wage increase representing 43%. If this bill were to be adopted, it will help 38,728 of our citizens have a little more expendable money. He also supplied a brochure entitled Choosing the High Road.

**EXHIBIT (buh42a03)**

**{Tape: 1; Side: A; Approx. Time Counter: 89 - 142}**

Gene Fenderson, Montana Progressive Labor Caucus, said the federal minimum wage, when passed in 1938, was basically passed as a base for the federal scope on wages over the United States. The opposition will say Montana pays over the minimum wage. Between 1980-1991, there was no change in the federal minimum wage so Montana did not change its wage either. After a change in the minimum federal wage, Montana actually saw some increases in the buying power in this State.

**{Tape: 1; Side: A; Approx. Time Counter: 142 - 176}**

**Linda Grycen, Montana Women's Lobby**, said they support this bill because most of the minimum wage workers are women. Minimum wage workers spend all of their wages. Raising the minimum wage is good for minimum wage workers.

**{Tape: 1; Side: A; Approx. Time Counter: 176 - 183}**

**Betty Whiting, Montana Association of Churches**, said they believe that all people should enjoy economic benefits. They are particularly concerned about the families who need this minimum wage increase.

**{Tape: 1; Side: A; Approx. Time Counter: 183 - 190}**

**Terry Minow, Montana Education Association**, said the people most likely affected by this bill would be classified school employees. They support minimum wage increases because they believe a livable wage is good for families and children as well as for the workers of Montana.

**{Tape: 1; Side: A; Approx. Time Counter: 190 - 198}**

**Don Judge, Teamsters Local 190**, said one out of every five children in Montana goes to bed hungry. Raising the minimum wage won't take that hunger away for all of those children; but for some it will make a difference. It is good for the economy, good for the children, good for the workers of the State.

**{Tape: 1; Side: A; Approx. Time Counter: 198 - 208}**

**Patty Keebler, Montana Democratic Party**, said increasing the minimum wage is part of their party platform. Stable jobs and livable wages are the cornerstone of family values. The vast majority of Montanans make their living as wage earners relying on fair compensation for their labor in order to sustain and build their communities, to raise their families, and to educate their children.

**{Tape: 1; Side: A; Approx. Time Counter: 208 - 220}**

**REP. DAVID E. WANZENRIED, HD 68, Missoula**, said the members of the Legislature all talk about economic development and economic growth in the State, and focus on the need for good paying jobs. There is a group of people who always seem to be left behind in that equation and they seem to be the people at the lower end of the economic spectrum. This is a fair proposal that recognizes there is one small thing that the State can do.

**{Tape: 1; Side: A; Approx. Time Counter: 220 - 232}**

**June Hermanson, Montanan's With Disabilities for Equal Access**, said the opportunity for the disabled is limited. When they do go to work, it is at the minimum level of wage for entry-level jobs regardless of education and experience. The increase of the

minimum wage will help people with disabilities to become independent.

**{Tape: 1; Side: A; Approx. Time Counter: 232 - 248}**

**Opponents' Testimony:**

**Brad Griffen, Montana Retail Association and Montana Restaurant Association**, said this bill refers to the price of unskilled and untrained labor. The restaurant and retail industries are truly industries with opportunity. For those who exhibit a good work ethic and a desire to succeed, there are ample opportunities for advancement into higher-wage positions. Finding employees is their biggest challenge. He said he believes it is a mistake to increase the minimum wage above and beyond the national wage.

**{Tape: 1; Side: A; Approx. Time Counter: 248 - 299}**

**Charles Brooks, Billings Chamber of Commerce**, said the minimum wage was never intended to be a livable wage. He presented a brochure entitled, West Coast Wage Hikes.

**EXHIBIT (buh42a04)**

**{Tape: 1; Side: A; Approx. Time Counter: 299 - 360}**

**Aiden Myers, Montana Chamber of Commerce, Bozeman Chamber of Commerce, Kalispell Chamber of Commerce**, said the marketplace should drive the wage levels.

**{Tape: 1; Side: A; Approx. Time Counter: 360 - 371}**

**Bill Stevens, Montana Food Distributors**, said he opposes this bill.

**{Tape: 1; Side: A; Approx. Time Counter: 371 - 380}**

**Informational Testimony:**

**John Andrew, Department of Labor & Industry**, said he was there to answer questions.

**Questions from Committee Members and Responses:**

**REP. BERGREN** said he had a question for any one of the opponents that make minimum wage.

**{Tape: 1; Side: A; Approx. Time Counter: 380 - 405}**

**REP. KEANE** asked Mr. Andrew if the Department of Labor has any numbers on the people who would actually benefit from the bill. **Mr Andrew** said he did not have that information.

**{Tape: 1; Side: A; Approx. Time Counter: 405 - 419}**

**REP. WILSON** asked Mr. Holzer if he felt the minimum wage was keeping up with the rate of inflation. **Mr. Holzer** said it was.

**{Tape: 1; Side: A; Approx. Time Counter: 419 - 483}**

**Closing by Sponsor:**

The sponsor closed.

**{Tape: 1; Side: A; Approx. Time Counter: 483 - Tape: 1; Side: B; Approx. Time Counter: 58}**

**HEARING ON HB 691**

**Sponsor:** **REP. DON ROBERTS, HD 10, Billings**

**Opening Statement by Sponsor:**

**REP. ROBERTS** said this bill would provide that a health carrier may not prohibit a policy owner or insured from assigning the right to collect under the terms of the policy. They must pay directly to a health care facility, physician, dentist, or other provider that has given services covered under the policy.

**{Tape: 1; Side: B; Approx. Time Counter: 58 - 107}**

**Proponents' Testimony:**

**Kathy Kenyon, General Counsel, Deaconess Billings Clinic,** said health care financing has gotten much more complex over the past decade. There are all kinds of health plans. They learned patients overwhelmingly want a choice of providers. There should be a way to limit choice to health plan subscribers.

**{Tape: 1; Side: B; Approx. Time Counter: 107 - 183}**

**Bob Olson, Montana Health Care Association,** provided written testimony in support of this bill.

**EXHIBIT (buh42a05)**

**{Tape: 1; Side: B; Approx. Time Counter: 183 - 237}**

**Denise Pizzini, General Counsel & Compliance Director, New West Health Services & Montana Benefits and Health Connections,** said they believe insurance should be allowed to assign payment under their health plans to providers who provide health care services to the customers who are insured. This bill is stating hospitals and other providers employ debt collection activities in order to be paid for the services they render. That reality should not be used by carriers.

**{Tape: 1; Side: B; Approx. Time Counter: 237 - 276}**

**Pat Melby, Montana Medical Association**, said many find that in order to get a direct assignment of insurance benefits, they are forced to become a member of a network and sign a provider contract.

**{Tape: 1; Side: B; Approx. Time Counter: 276 - 312}**

**Susan Good, Neurosurgeons and Orthopedic Surgeons**, said that in the end this bill will benefit patients.

**{Tape: 1; Side: B; Approx. Time Counter: 312 - 326}**

**Mike Foster, representing three Sisters of Charity hospitals, St. Vincent Health Care, Billings; St. James Health Care, Butte; and Holy Rosary Health Care, Mile City**, said this is a pro-consumer bill that will reduce administrative costs in health care.

**{Tape: 1; Side: B; Approx. Time Counter: 326 - 380}**

**Travis Ahner, Montana Trial Lawyers Association**, said they support this bill.

**{Tape: 1; Side: B; Approx. Time Counter: 380 - 386}**

**Opponents' Testimony:**

**Tanya Ask, Blue Cross/Blue Shield of Montana**, said this is a bad bill. The question is, "Who is protected and at what cost to health care consumers?" Montana has one of the highest levels of uninsured. She then provided testimony.

**EXHIBIT (buh42a06)**

**{Tape: 1; Side: B; Approx. Time Counter: 386 - 422}**

**Jerry Driscoll, AFL-CIO**, said they opposed this bill.

**{Tape: 1; Side: B; Approx. Time Counter: 422 - 471}**

**Steve Turkiewicz, Montana Auto Dealers Association**, said they oppose this bill.

**{Tape: 1; Side: B; Approx. Time Counter: 471 - 500}**

**Tom Clinch, Montana School Services Foundation**, said they oppose this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 1 - 7}**

**Frank Cote, Health Insurance Association of America**, said they support this bill and the consumers absolutely do not win with this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 7 - 31}**

**Steve Bender, Deputy Director, Department of Administration**, said they are responsible for the operation of the State Employee

Health Plan. Continued access to negotiated network district accounts are extremely important.

**{Tape: 2; Side: A; Approx. Time Counter: 31 - 45}**

**J.D. Lynch, Montana State Building Trades**, said they opposed this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 45 - 49}**

**Keith Olson, Montana Logging Association**, said their members participate in a group health insurance program.

**{Tape: 2; Side: A; Approx. Time Counter: 49 - 57}**

**Aiden Miehre, Montana Comprehensive Health Care Association**, said they rise in opposition to this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 57 - 65}**

**Bill Stevens, Montana Food Distributors Association**, said the grocers would add their opposition to this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 65 - 70}**

**Spook Stang, Executive Vice President, Montana Motor Carriers Association**, said they oppose this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 70 - 73}**

**John Cadby, Montana Bankers Association**, said they oppose this bill.

**{Tape: 2; Side: A; Approx. Time Counter: 73 - 84}**

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MORGAN** asked Rep. Roberts about the right to negotiate. **REP. ROBERTS** said 40% of health care is private insurance. When insurance companies negotiate, they negotiate for a reason.

**{Tape: 2; Side: A; Approx. Time Counter: 84 - 144}**

**REP. MATTHEWS** asked Ms. Pizzini if this bill would create more competition. **Ms. Pizzini** said it would increase competition.

**{Tape: 2; Side: A; Approx. Time Counter: 144 - 340}**

**Closing by Sponsor:**

The sponsor closed.

**{Tape: 2; Side: A; Approx. Time Counter: 340 - 368}**

HEARING ON HB 679

Sponsor: REP. DON STEINBEISSER, HD 100, Sidney

Opening Statement by Sponsor:

REP. STEINBEISSER provided written testimony of his introduction to the bill.

**EXHIBIT** (buh42a07)

{Tape: 2; Side: A; Approx. Time Counter: 392 - Tape: 3; Side: A; Approx. Time Counter: 11}

Proponents' Testimony:

John Cadby, Montana Bankers Association, provided testimony from Jim Edwards.

**EXHIBIT** (buh42a08)

{Tape: 2; Side: B; Approx. Time Counter: 11 - 70}

Steve Turkiewicz, Montana Insurance Trust, said there were three reasons this bill should pass: 1) uniform premiums, 2) guaranteed issue, and 3) the value of the information from claimants.

{Tape: 2; Side: B; Approx. Time Counter: 70 - 97}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. FRITZ asked Mr. Cadby about the mandates in insurance coverage, stating that mandates are not good because they restrict choice. Mr. Cadby said this was correct.

{Tape: 2; Side: B; Approx. Time Counter: 97 - 228}

Closing by Sponsor:

The sponsor closed.

{Tape: 2; Side: B; Approx. Time Counter: 228 - 237}

EXECUTIVE ACTION ON HB 646

{Tape: 2; Side: B; Approx. Time Counter: 237 - 248}

Motion/Vote: REP. MAEDJE moved HB 646 DO PASS. A roll call vote was taken. Motion failed 5-13 with REPS. STEINBEISSER, GALLIK, GALVIN-HALCRO, WEISS, and WILSON voting aye.



Motion/Vote: REP. MAEDJE moved HB 646 BE TABLED. A reverse of the DO PASS motion passed 13-5 with REPS. STEINBEISSER, GALLIK, GALVIN-HALCRO, WEISS, and WILSON voting no.

EXECUTIVE ACTION ON HB 688

Motion: REP. MORGAN moved HB 688 DO PASS.

Motion/Vote: REP. MORGAN moved HB 688 AMENDMENTS. Motion carried 18-0.

**EXHIBIT** (buh42a09)

Motion: REP. MORGAN moved that HB 688 DO PASS AS AMENDED.

Discussion:

REPS. MENDENHALL, KEANE, and GALLIK oppose the bill.

REPS. McKENNEY, BITNEY, MAEDJE, ROME, and WEISS support this bill.

Vote: A roll call vote was taken. Motion that HB 688 DO PASS AS AMENDED failed 9-9 with REPS. STEINBEISSER, BITNEY, BOOKOUT-REINICKE, FRITZ, HAWK, MAEDJE, MORGAN, ROME, and McKENNEY voting aye.

Motion/Vote: REP. MORGAN moved that HB 688 BE TABLED. A roll call vote was taken. Motion carried 10-8 with REPS. STEINBEISSER, BITNEY, BOOKOUT-REINICKE, FRITZ, HAWK, MAEDJE, MORGAN, and ROME voting no.

EXECUTIVE ACTION ON HB 679

Motion/Vote: REP. STEINBEISSER moved that HB 679 DO PASS. A roll call vote was taken. Motion carried 15-3 with REPS. FRITZ, GALLIK, and GALVIN-HALCRO voting no.

EXECUTIVE ACTION ON HB 732

Motion: REP. WEISS moved that HB 732 DO PASS.

Discussion:

REPS. KEANE, WEISS, and WILSON said they support the bill.

REPS. MENDENHALL, MORGAN, MAEDJE, and STEINBEISSER oppose the bill.

Vote: Motion that HB 732 DO PASS failed 8-10. A roll call vote was taken. REPS. KEANE, BERGREN, FRITZ, GALLIK, GALVIN-HALCRO, MATTHEWS, WEISS, and WILSON voting aye.

Motion/Vote: REP. BITNEY moved that HB 732 BE TABLED AND THE VOTE REVERSED FROM THE DO PASS MOTION. Motion carried 10-8 with REPS. KEANE, BERGREN, FRITZ, GALLIK, GALVIN-HALCRO, MATTHEWS, WEISS, and WILSON voting no.

EXECUTIVE ACTION ON HB 691

Motion/Vote: REP. BERGREN moved that HB 691 DO PASS. A roll call vote was taken. Motion failed 3-15 with REPS. BOOKOUT-REINICKE, MATTHEWS, and MENDENHALL voting aye.

Motion/Vote: REP. MAEDJE moved that HB 691 BE TABLED AND THE VOTE REVERSED. Motion carried 15-3 with REPS. BOOKOUT-REINICKE, MATTHEWS, and MENDENHALL voting no.

EXECUTIVE ACTION ON HB 672

Motion: REP. BERGREN moved that HB 672 DO PASS.

Discussion:

REPS. MENDENHALL, MORGAN and KEANE opposed this bill.

REP. BERGREN said he supports this bill.

Vote: Motion that HB 672 DO PASS failed 6-12 with REPS. BERGREN, FRITZ, GALLIK, GALVIN-HALCRO, WEISS, and WILSON voting aye.

Motion/Vote: REP. MAEDJE moved that HB 672 BE TABLED AND THE VOTE REVERSED. Motion carried 12-6 with REPS. BERGREN, FRITZ, GALLIK, GALVIN-HALCRO, WEISS, and WILSON voting no.

EXECUTIVE ACTION ON HB 329

Motion/Vote: REP. MORGAN moved that HB 329 BE TABLED. Motion carried 17-1 with REP. BITNEY voting no.

**EXECUTIVE ACTION ON HB 613**

**Motion:** REP. MAEDJE moved that HB 613 DO PASS.

**Discussion:**

REP. GALLIK said he opposes this bill.

CHAIRMAN MCKENNEY said he has had several discussions with REP. LANGE attempting to formulate some amendments to fix this bill but was unable to do so. There are two bills in the Senate that address what REP. LANGE is trying to do. REP. LANGE said the Committee could do as it wishes. If the bill does pass out of Committee he will continue to try to work on the bill.

**Motion/Vote:** REP. MENDENHALL moved that HB 613 BE TABLED.

Motion carried 18-0.

**ADJOURNMENT**

Adjournment: 11:10 A.M.

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REP. JOE MCKENNEY, Chairman

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ALBERTA STRACHAN, Secretary

JM/AS

**EXHIBIT** (buh42aad)